

Oilseeds Domestic Fundamentals: In Indore, soybean plant prices remained steady amid steady arrivals as compared to previous day. Jaipur RM seed prices witnessed gains amid tight arrivals and record acreage in the country. RM seed prices likely to correct as arrivals pick up in second fortnight of February.

Soybean

- On 03rd of Feb22, Department of Food and Public Distribution has issued a stock limit notification on oilseed and edible oil paralleled with the earlier stock limit which was issued on 8th Oct'21 and was expected to expire on 31st March'22. In its recent notification, Govt. has imposed stock limit on edible oil and oilseed with specified quantity till 30th June22. However, six states, Uttar Pradesh, Karnataka, Himachal Pradesh, Telangana, Rajasthan and Bihar are exempted from the quantities specified, as they have already imposed stock limit. And few exceptions have been given to importer and exporter.
- | Name of Essential Commodity | Retail | Wholesale | Bulk consumers (Big chain retailers shops) | | Processor |
|-----------------------------|--------------|---------------|--|---------------|---|
| | | | Retail outlets | Depot | |
| Edible Oil | 30 Quintals | 500 Quintals | 30 Quintals | 1000 Quintals | 90 days of storage capacity |
| Edible Oilseeds | 100 Quintals | 2000 Quintals | -- | | 90 days production of edible oils, as per daily input production capacity |
- Solvent Extractors Association (SEA) reported India's Soy oil imports in Dec'21 up by 22% percent m-o-m to 3.92 lakh tonne as compared to 3.22 lakh tonne in Dec'20. Additionally, soy oil import in Dec'21 went down by 17% as compared to previous month. The import of soybean oil is up due to decline in domestic crushing triggered by slacked soymeal demand and tight crush margin.
 - SOPA has requested to govt. to consider subsidy for inland freight to support exporters to compete for export of soy products as soymeal exports have fallen due to high prices in international market.
 - As Crushing has been lower in first quarter of this season, if soymeal demand in rest of three quarter doesn't crushing doesn't pick up, carry out stocks may be much higher than previous year and prices may remain under pressure.
 - SOPA reported Oct-Dec'21 soy crush down by 37% at 21 lakh tonnes as compared to 33.5 lakh tonne previous year same period, while arrival too remained low by 23% at 40 lakh tonnes as compared to 52 lakh tonne previous year same period. Additionally, estimated December'21 stock is at 90.86 lakh tonne vs 65.93 lakh tonne previous year. Slacked domestic and global soymeal demand and also lower crush margin and tight crushing kept soy prices checked.
 - It is inferred from SOPA data that arrivals are slower as farmers are expecting better prices for soybean, but on the other hand industry is unable to find sufficient demand for soybean deoiled cake even at current prices.
 - As per AgriWatch estimates, total availability of soymeal in the country for MY 2021-22 is likely to be 84.8 lakh tonne. Annual soymeal consumption stands between 60-65 lakh tonne while 15-18 lakh tonne soymeal is exported annually. So, demand and supply of soymeal in the country seems balanced.
 - AgriWatch has estimated India's 2021-22 soybean output estimate at 12 million tonne, vs 10.45 million tonne in 2020-21.
 - Department of Consumer Affairs, Food and Public Distribution has imposed stock limit on soymeal till June 30, 2022. Soymeal millers, processors or plants are allowed to hold stocks only up to 90 days of production, the limits were imposed after amending the Essential Commodities Act of 1955 to include soymeal in the category. We think the stock limit on soymeal will have minimal impact as generally crushers store soymeal for 10-15 days. As per Agriwatch estimates, total production of soymeal in the country for MY 2021-22 is likely to be 84.8 lakh tonnes. Annual soymeal consumption stands between 60-65 lakh tonnes while 15-18 lakh tonnes soymeal is exported annually. So, demand and supply of soymeal in the country seems balanced.
 - As per 1st Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of soybean during 2021-22 is 127.20 lakh tonne vs 128.97 lakh tonne last year.

International updates

- According to USDA, US soybean crush hit a record high of 5.95 MMT in Dec'21 up 3% YoY and 4% MoM.
- AgRural has slashed its previously estimated Brazil soybean production by 3.4 MMT. Earlier it was estimated to all-time record of 133.4 MMT but it has now been reduced to 130 MMT. Dry weather condition prevailing in Argentina and Brazil has adversely affected soy yield. As on 29th Jan, Brazil's 2021-22 soybean harvesting has reached to 10%.
- According to USDA January'21 report, 2021-22 Soy production estimate for India kept unchanged at 11.9 million tonnes while last year it was 10.45 MMT. US soy production increased slightly higher at 120.70 MMT as compared to previous month at 120.42 MMT while last year it was 114.74 MMT.
- However, Argentina's 2021-22 soy production decreased by 3 MMT to 46.5 MMT while last year it was 46.20 MMT, Brazil soy production too reduced by 5 MMT to 139 MMT while last year it was 138 MMT. Dry weather condition in south America has resulted in production cut.
- According to National Association of Grain Exporters (ANEC), Brazil's soy export in Dec'21 stood at 2.54 MMT compared with 0.7 MMT in the same month last year.
- As on 27th Jan, according to Buenos Aires Grain Exchange, Soybean sowing progress in Argentina stood at 99.3% Vs 100% last year same period and 1 00% five-year average. And BAGE has estimated 38% soy crop is in excellent to good condition Vs 30% previous week, 43% soy crop is in fair condition Vs 43% previous week and 19% soy crop is in poor/very poor condition Vs 27% previous week. This week crop condition has improved slightly. However, on long time frame weather condition has worsened soy crop condition and resulted in production cut by 3 MMT to 46.5 MMT by USDA in its January'22 estimates

RM seed

- According to GOI, as on 04th Feb'22, All India Mustard sowing is up by 25.3% at 91.63 Lakh Ha compared with 73.12 Lakh Ha last year.
- RM seed remained volatile amid low availability and record acreage in the country Rs.7,200/Qtl still remains good support in near term.
- New crop arrival has begun in few mandis of Rajasthan with moisture content ranging between 10-20%.
- Solvent Extractors Association has favoured

	Normal area	As on 04th Feb'22		
		2021-22	2020-21	% Change
Rajasthan	25.51	35.27	25.66	37.5%
Uttar Pradesh	6.95	14.17	12.33	14.9%
Madhya Pradesh	6.91	11.72	7.81	50.1%
Haryana	5.63	7.67	6.10	25.7%
West Bengal	5.50	6.09	5.85	4.1%
Gujarat	1.96	3.40	2.15	58.5%
Assam	2.89	3.20	3.16	1.0%
Jharkhand	2.60	4.05	4.31	-6.0%
Bihar	0.82	1.52	1.50	1.3%
Chattisgarh	0.44	1.41	1.40	1.1%
Odisha	0.08	1.11	1.05	5.8%
Jammu And Kashmir	0.48	0.31	0.29	7.7%
Arunachal Pradesh	0.28	0.28	0.28	0.0%
Uttarakhand	0.15	0.18	0.18	0.0%
Nagaland	0.28	0.24	0.26	-7.8%
Sikkim	0.03	0.03	0.03	0.0%
Total	61.55	91.63	73.12	25.3%
Data source-GOI			Area in Lakh ha	

to resume Mustard futures, stated that suspension has not served the purpose of curbing inflation. As despite ban in futures RM seed prices still trading above 8000/Qtl.

- As per AgriWatch estimates, 2022-23 RM seed production is pegged at 107.1 lakh tonne vs previous year at 85.40 lakh tonne.
- According to Central Organization for Oil Industry and Trade (COOIT) production of the mustard to increase to a record 100-110 lakh tonne this season.
- According to Solvent Extraction Association of India Mustard crop production is estimated at 120 lakh tonne assuming favourable weather condition in rabi season.
- According to Solvent extractors association of India, India's exports for rapeseed meal during April-Dec'2021 was down 22% at 7,13,593 metric tonne compared to 9,16,715 metric tonne during the same period previous marketing season.
- The export of rapeseed meal in December'21 is reported at 12,980 metric tonne against last year 1,41,566 metric tonne during the same period i.e., down by 91%. Rapeseed meal export remained lower due to lower availability of seeds for crushing, new crop will be available from end of February or early of march for crushing.
- USDA in its January'21 report, estimated Canada canola production estimates at 12.6 MMT Vs 19.48 MMT previous year, China at 14 MMT Vs 14 MMT last year, EU at 17.3 MMT Vs 16.28 MMT.
- According to USDA January'21 report, Canada canola exports estimated down to 5.3 MMT Vs 10.51 MMT last year.
- Lower canola production in Canada has disrupted exports and major importers likely turn to Australia to offset displaced imports.

Outlook: Soybean (plant delivery, Indore) prices are expected to trade rangebound with weak bias amid low soymeal demand and tight crush margin. The prices are expected to be in the range of 6200-6700/qtl. levels in the near-term. RM seed prices are expected to correct from higher level amid higher acreage.

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	08-Feb-22		07-Feb-22		
	Low	High	Low	High	
Indore –Plant	6600	6700	6600	6700	Unch
Indore–Mandi	6250	6500	6250	6500	Unch
Nagpur-Plant	6650	6850	6450	6620	230
Nagpur – Mandi	5000	6500	5100	6270	230
Latur – Mandi	NA	NA	NA	NA	-
Akola – Mandi	NA	NA	NA	NA	-
Kota-Plant	6500	6700	6500	6550	150
Kota – Mandi	6200	6600	6200	6450	150
Bundi-Plant	6350	6650	6250	6550	100

Bundi-Mandi	6000	6500	5850	6350	150
Baran-Plant	6500	6750	6500	6700	50
Baran-Mandi	6100	6650	6100	6600	50
Bhawani Mandi Jhalawar-Plant	6400	6700	6400	6620	80
Jhalwar-Mandi	6200	6650	6200	6570	80
Rapeseed/Mustard					
Jaipur-(Condition)	7800	7825	7775	7800	25
Alwar-(Condition)	7500	7600	7300	7400	200
Sri Ganganagar-(Non-Condition)	6900	7000	6700	6800	200
New Delhi-(Condition)	7400	7450	7250	7300	150
Kota-(Condition)	7300	7400	7200	7300	100
Agra-(Condition)	7810	8000	7619	7810	190
Neewai-(Condition)	7000	7200	7000	7200	Unch
Hapur (UP)-(Condition)	7400	7500	7400	7500	Unch
Groundnut Seed					
Rajkot	940	940	931	931	9
Sunflower Seed					
Gulbarga	5000	5400	5000	5400	Unch
Latur	6200	6300	6200	6300	Unch
Sholapur	6200	6300	6200	6300	Unch
Soybean Prices are in INR/qtl. (1 bag=90 kg). Mandi prices – Loose, Mustard Seed Prices are in INR/qt (1 bag=85 kg) C – Condition (42%), *Groundnut seed in Rs/20 kg, Sunflower Seed in Rs/qtl.					

Oilseed Arrivals in Key Centers:

Commodity / Centre	Arrivals in Bags/Qtl		Change
Soybean	08-Feb-22	07-Feb-22	
Madhya Pradesh	80000	80000	Unch
Maharashtra	100000	100000	Unch
Kota	7000	7000	Unch
Bundi (Raj)	70	40	30
Baran (Raj)	2000	1100	900
Jhalawar (Raj)	300	900	-600
Rapeseed/Mustard			
Rajasthan	35000	35000	Unch
Alwar	250	1000	-750

Sri Ganganagar	600	400	200
Kota	500	1000	-500
Groundnut Seed			
Rajkot (Gujarat)	4000	4950	-950
Sunflower Seed			
Sholapur (Maharashtra)	300	300	Unch

Other Oilseed Prices at Mumbai (INR/100 Kg):

Oilseeds	8-Feb-22	7-Feb-22	Change
Groundnut Kernel	6650	6700	-50
Gr. Bolds 60/70	8400	8400	Unch
Gr. Javas 60/70	9900	9900	Unch
Gr Javas 70/80	9800	9800	Unch
Gr.Javas 80/90	9300	9300	Unch
KardiSeed 2% Exp Qly	6300	6300	Unch
Sesame White 98/2/1 FM	9700	9700	Unch
Whitish 95/5/FFA/1FM	9500	9500	Unch
Brown 48/2 FFA/4 FM	9100	9100	Unch
Brown 48/3 FFA/4 FM	8800	8800	Unch
Brown 48/4 FM/* No FFA Guarantee	8500	8500	Unch
Sunflower Seed	6300	6300	Unch
Niger Seed (4% FM)	8200	8200	Unch

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